

City Council

Rich Tran, Mayor

Marsha Grilli, Vice Mayor

Garry Barbadillo, Councilmember

Bob Nuñez, Councilmember

Anthony Phan, Councilmember



CITY OF MILPITAS - NOTICE OF ADJOURNED SPECIAL MEETING

NOTICE IS HEREBY GIVEN that a Special Meeting of the Milpitas City Council has been scheduled for Monday, September 11, 2017 at 5:30 PM at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA in the Council Chambers on the second floor. The meeting agenda is as follow.

SPECIAL CITY COUNCIL MEETING

MONDAY, SEPTEMBER 11, 2017

5:30 PM

Milpitas City Hall

Council Chambers 2nd floor

455 E. Calaveras Boulevard, Milpitas, CA

Councilmember Phan will participate by telephone conference call from:
4550 S. Grand Canyon Drive, Las Vegas, NV 89147

AGENDA

- I. CALL TO ORDER / ROLL CALL / PLEDGE**
- II. APPROVAL OF AGENDA**
- III. PUBLIC FORUM** *Comments limited to 3 minutes or less*
- IV. CLOSED SESSION**

CONFERENCE WITH LEGAL COUNSEL, ANTICIPATED LITIGATION

Pursuant to California Government Code section 54956.9(d)(4) City as Plaintiff

- V. REPORT OUT OF CLOSED SESSION** (if any)
- VI. UNFINISHED BUSINESS**
 - 1. Approve Fiscal Year 2016-17 Year End Budget Adjustments (Staff Contact: Will Fuentes, 408-586-3111)**
 - 2. Receive Report from Staff on Credit Card Policy (Staff Contact: Will Fuentes, 408-586-3111)**
- VII. ADJOURNMENT**

KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and the City operations are open to the people's review.

Materials related to an item on this agenda submitted to the City Council after distribution of the agenda would be available for public inspection at the City Clerk's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas during normal business hours.

For more information on your rights under the Open Government Ordinance or to report a violation of the ordinance, contact the City Attorney at Milpitas City Hall, 455 E. Calaveras Blvd, Milpitas, CA

E-mail: cdiaz@ci.milpitas.ca.gov / Phone 408-586-3040

The Open Government Ordinance is codified in Milpitas Municipal Code as Title I Chapter 310 and is available at the City's website www.ci.milpitas.ca.gov by selecting the Milpitas Municipal Code link.

AGENDA REPORTS

1. Approve Fiscal Year 2016-17 Year End Budget Adjustments (Staff Contact: Will Fuentes, 408-586-3111)

Background: Finance staff is in the process of closing the City's accounts for Fiscal Year 2016-17 with a focus on expenditures. To maintain conformity with the City's budgeting policies and to prepare for the annual external financial audit, staff examined all expenditure accounts and identified three necessary operating budget adjustments detailed below. These adjustments account for grants received but not recognized and actual leave cash-out costs which are difficult to forecast during budget preparation. This is a common annual end of the year budget correction process amongst local governments and it requires Council approval:

- 1. Fire Mutual Aid Overtime** – staff requests a General Fund appropriations increase of **\$393,883** to account for overtime expenditures incurred while responding to regional fires through the California Fire Service and Rescue Emergency Mutual Aid System. The source of funding for the budget appropriation is from reimbursements received from the State of California Office of Emergency Services (OES). The revenue account for this reimbursement will also be increased by \$393,883 to fully offset the expenditure adjustment.
- 2. Police COPS Grant** – staff requests a General Fund appropriations increase of **\$33,280** to account for allowable Citizens Option for Public Safety (COPS) Grant program expenditures in FY 2016-17. This grant was previously approved by Council and funds were spent for Video/Audio Recorders (\$18,280) and a Polygraph Examiner Position (\$15,000). The source of funding for this budget appropriation is the Department of Justice (DOJ) COPS 2016 Grant. The revenue account for this grant will also be increased by \$33,280 to fully offset the expenditure adjustment.
- 3. Leave Cash-Outs** - the annual leave cash-out is routinely budgeted in non-departmental as a placeholder for employee separations and MOU allowable employee requested leave cash-outs as they occur. Total leave cash-outs were budgeted at \$650,000 for FY 2016-17. The level of cash-out can vary from year-to-year depending on employee requests and employee separations from the City. Staff budgets conservatively to ensure adequate funds are available for this liability. This request would shift **\$130,000** from the Non-Departmental General Fund budget to the Fire Department General Fund budget. The overall General Fund budget would stay the same after this increase since it is only a budget shift from one department to another.

Fiscal Impact: There is no impact to the City's General Fund balance. All appropriations increases are fully offset by grant revenue increases or identical appropriations decreases.

Recommendation: Approve the Fiscal Year 2016-17 year-end budget appropriations and reallocations as itemized on the budget change form.

Attachment: [Budget Change Form](#)

2. Receive Report from Staff on Credit Card Policy (Staff Contact: Will Fuentes, 408-586-3111)

Background: City credit cards, provided through U.S. Bank and the State's Cal-Card program, are used and assigned for the purpose of providing a convenient and effective means of making small-dollar operational purchases less than \$5,000. Their use is common practice for public agencies statewide. Additionally, City credit cards are an invaluable tool in facilitating emergency or non-recurring purchases in those unique instances when there are no other readily available means to pay for goods or off-site services (e.g., tire repairs, computer repairs, etc.). Due to their small dollar amount, credit card purchases do not require the use of a City Purchase Order (PO). Per Section I-2-4.01 of the Milpitas Municipal Code, all City purchases over \$5,000, regardless of method of payment, require the use of a PO reviewed and approved by a Department Director, the Director of Financial Services and the City Manager.

The City's credit card is for "Official Use Only." Personal use of a City credit card is strictly prohibited by Standard Operating Procedure (SOP) 06-03; given to each Cardholder upon request of a new City credit card. Misuse of a City credit card can lead to disciplinary action up to and including termination, and use of any other remedies, both civil and penal, available to the City. In addition, City credit cards are to be used by permanent City employees only. City credit cards are issued with the responsible person's name imprinted on the face of the card and each individual who holds a City credit card shall maintain his/her specific card under his/her control.

A City credit card shall not be used to circumvent any existing City of Milpitas purchasing policy, procedure, or practice. To receive a City credit card, an employee must submit a Credit Card Request Form that provides justification for card issuance and is reviewed and signed by their Department Director before being submitted to the Director of Financial Services for review. If the issuance is appropriate and necessary for City business, the Director of Financial Services will recommend to the City Manager for approval. The City Manager has the final review and approval for issuing City credit cards.

If a request is approved, the employee is then provided with a detailed Credit Card Manual (in agenda packet). The Credit Card Manual and SOP 06-03 were recently updated and changes sent to Cardholders and Approving Officials. A summary of those changes is listed here.

Changes

- **Personal Use** – The City has a strict "No Personal Use" policy for City issued credit cards. This was stated in previous versions of the Credit Card Policy, but staff would like to again re-emphasize it. The new version of the Credit Card Policy places this restriction at the beginning and repeats it several times within the Policy and the Credit Card Manual.
- **Maximum Credit Card Limit** – Purchases over \$5,000 require the use of an approved City PO per Section I-2-4.01 of the Milpitas Municipal Code. However, the PO threshold was formerly \$3,000 and the Credit Card Policy and Credit Card Manual reflected that lower amount. This created an unintended gap between the current PO threshold of \$5,000 and the Credit Policy and Manual, which both showed a \$3,000 limit. Thus, the amount was raised to \$5,000 in both documents to ensure consistency with current PO Policy.
- **Approving Official** – Department Directors have responsibility for reviewing and approving Credit Card statements of Cardholders in their departments before submitting to the Finance Department for approval. Further emphasis for this responsibility is included in the revised Credit Card Policy and Manual. In addition, while it was not addressed previously, the revised Credit

Card Manual now clearly states that “No Cardholder shall approve his or her own (monthly) Statement of Account and no Cardholder shall have his or her Statement of Account approved by an employee at a lower positional level in the organization. The only exception is for the City Manager’s Statement of Account, which will be reviewed and approved by the Director of Financial Services.”

- **Reconciliation and Documentation** – Every year, external auditors review the City’s financial transactions and internal controls for validity and adherence to Generally Accepted Accounting Principles (GAAP). During the course of these audits, they also test various transactions such as City credit card purchases. In recent years, they have discovered late review and approval of monthly credit card Statements of Account and lack of appropriate documentation such as transaction receipts. The revised Credit Card Policy and Manual addresses these findings and deficiencies and clearly states a City Credit Card may be suspended or revoked by the Director of Financial Services for repeated violations of policy such as lack of proper documentation and late submissions.
- **City Sponsored Events** – Staff may use City credit cards to pay for City sponsored events such as meetings, luncheons, dinners, etc. The details of these events though were not properly documented prior to the event when a City credit card paid for them. Thus, a new City Credit Card Event Form is being implemented. This will detail the purpose of the event, total cost charged to a City credit card, and who attended. If the event requires a PO due to a cost over \$5,000, this information was and is already being captured. However, this level of detail was not previously captured when City credit cards were used. The new City Credit Card Event Form will enhance control over these events and transparency of City financial transactions.

The City’s credit card program is an important operational tool, but its use must be appropriate and transparent to the City Council and the public. While the use of a credit card program is standard practice for public agencies, it is a privilege to Cardholders and not a right. The Finance Department will monitor and periodically audit the City’s credit card program to ensure compliance with policy and take appropriate actions when policy is not followed. The Finance Department will also periodically evaluate the continued need of those who are issued a City credit card and recommend account cancellation when an account is no longer active, needed, and/or appropriate. Staff recommends an annual report be provided to Council in January detailing any deviations from policy that may have occurred in the prior calendar year, external audit findings, corrective actions taken, and further recommendations for program improvement.

Fiscal Impact: None

Recommendation: Per request of Councilmember Nuñez, receive staff report on City Credit Card Policy and provide any input or recommendations.

Attachments: [SOP 06-03 Credit Card Policy](#) and [Credit Card Manual](#)

City of Milpitas, California

BUDGET CHANGE FORM

Type of Change	From		To	
	Account	Amount	Account	Amount
Check one:	100-3568	393,883	100-812-4113	393,883
<input checked="" type="checkbox"/> Budget Appropriation	100-910-4124	130,000	100-812-4124	130,000
<input type="checkbox"/> Budget Transfer	261-3567	33,280	261-721-4921	18,280
			261-724-4503	15,000

Approve Fiscal Year 2016-17 Year End Budget Adjustments (Staff Contact: Will Fuentes, 408-586-3111)

Background: Finance staff is in the process of closing the City's accounts for Fiscal Year (FY) 2016-17 with a focus on expenditures. To maintain conformity with the City's budgeting policies and to prepare for the annual external financial audit, staff examined all expenditure accounts and identified three necessary operating budget adjustments detailed below. These adjustments account for grants received but not recognized and actual leave cash-out costs which are difficult to forecast during budget preparation. This is a common annual end of the year budget correction process amongst local governments and it requires Council approval:

Operations:


- Fire Mutual Aid Overtime** – staff requests a General Fund appropriations increase of **\$393,883** to account for overtime expenditures incurred while responding to regional fires through the California Fire Service and Rescue Emergency Mutual Aid System. The source of funding for the budget appropriation is from reimbursements received from the State of California Office of Emergency Services (OES). The revenue account for this reimbursement will also be increased by \$393,883 to fully offset the expenditure adjustment
- Police COPS Grant** – staff requests a General Fund appropriations increase of **\$33,280** to account for allowable Citizens Option for Public Safety (COPS) Grant program expenditures in FY 2016-17. This grant was previously approved by Council and funds were spent for Video/Audio Recorders (\$18,280) and a Polygraph Examiner Position (\$15,000). The source of funding for this budget appropriation is the Department of Justice (DOJ) COPS 2016 Grant. The revenue account for this grant will also be increased by \$33,280 to fully offset the expenditure adjustment.
- Leave Cash-Outs** - the annual leave cash-out is routinely budgeted in non-departmental as a placeholder for employee separations and MOU allowable employee requested leave cash-outs as they occur. Total leave cash-outs were budgeted at \$650,000 for FY 2016-17. The level of cash-out can vary from year-to-year depending on employee requests and employee separations from the City. Staff budgets conservatively to ensure adequate funds are available for this liability. This request would shift **\$130,000** from the Non-Departmental General Fund budget to the Fire Department General Fund budget. The overall General Fund budget would stay the same after this increase since it is only a budget shift from one department to another.

Fiscal Impact: There is no impact to the City's General Fund balance. All appropriations increases are fully offset by grant revenue increases or identical appropriations decreases.

Recommendation: Approve the Fiscal Year 2016-17 year-end budget appropriations and reallocations as itemized on the attached budget change form.

☒ Check if City Council Approval required.

Meeting Date: September 11, 2017

Requested by:	Jane Corpus, Assistant Director of Financial Services	Date:
Department Head:	Will Fuentes, Director of Financial Services	Date:
Reviewed by:	Finance Director: 	Date: 9/7/2017
Approved by:	City Manager:	Date:
Date approved by City Council, if required: Confirmed by:		

FI/24786/V

Form 30-222 (Rev. 1/92)



CITY OF MILPITAS, CALIFORNIA

STANDARD OPERATING PROCEDURE (SOP)

SUBJECT: CITY OF MILPITAS CREDIT CARD USE

STATEMENT OF PURPOSE

City credit cards are used and assigned for the purpose of providing a convenient and effective means of making small-dollar operational purchases. Additionally, credit cards are an invaluable tool in facilitating emergency or non-recurring purchases in those unique instances when there are no other readily available means to pay for goods or services.

GENERAL REQUIREMENTS AND STANDARDS

1. The City's credit card is for "Official Use Only." Personal use of a City credit card is strictly prohibited. Misuse of a City credit card can lead to disciplinary action up to and including termination, and use of any other remedies, both civil and penal, available to the City. Credit cards shall be used in strict compliance with those procedures outlined within the "Credit Card Manual" provided both at the time of card issuance as well as made available on the City's network at [\\callisto\Milpitas\PURCHASING\Credit Card Manual](#). Improper, frequent, and/or flagrant violation of the authorized use of the City credit card and/or loss of receipts and/or supporting documentation will result in the suspension or revocation of City credit card privileges.
2. Credit cards are to be used by permanent City employees only and are issued with the responsible persons name imprinted on the face of the card. Each individual who holds a City credit card shall maintain his/her specific card under his/her control. Giving City credit cards to other personnel for use, outside of your presence, is strictly prohibited. Your credit card number and security key should remain secure at all times for your protection and that of the City.
3. A City credit card shall not be used to circumvent any existing City of Milpitas purchasing policy, procedure, or practice. The use of City credit cards does not supplant or replace the need for Purchase Orders (PO) which require review and processing through the Purchasing Division of Finance for all purchases of \$5,000 and over.
4. Credit card procedures are monitored for compliance by the Finance Department. Each Department Director is responsible for establishing an effective process of oversight and review within their department for both budgetary control, approvals and proper submission to Finance. The mismanagement of assigned cards, non-compliance with the credit card policies and/or untimely remittance will result in a card being suspected or revoked by the Director of Financial Services and/or the City Manager.
5. Requests for credit card issuance are submitted to the Director of Financial Services by Department Directors and are recommended for issuance by the Director of Financial Services to

the City Manager. Consideration of issuing credit cards will be based on the individual needs of departments.

6. All credit cards carry a maximum limit of \$5,000 available every month and also carry restricted vendor category uses for further protection. Transaction limits can vary based upon authority approvals. Transaction and overall limits may be increased for individual Cardholders on a case by case basis during an emergency with the approval of the City Manager and Director of Financial Services. All other exceptions also require the approval of the City Manager and Director of Financial Services. The City's Purchasing Agent may have a maximum limit over \$5,000 available every month due to the nature of the role.
7. Original receipts must be submitted in support of any and all credit card purchases submitted for payment as part of the monthly billing process. Credit card receipts shall include both the "Itemized Receipt" showing detail of goods or services purchased and the "Customer Copy" of receipt showing last 4 digits of credit card charged for transaction. One combined receipt showing both itemized detail and last 4 digits of credit card charged for transaction is also acceptable. If a receipt is misplaced, it is the responsibility of the cardholder to obtain in a timely manner a duplicate receipt from the vendor in which goods or services were purchased. A printed copy of a scanned receipt using a smartphone or other device will be accepted if it contains itemized detail and last 4 digits of credit card charged. Original receipts though are preferred. A Missing Invoice/Receipt Form (attached) will be accepted if no other documentation means are available, but it shall not be used regularly by a Cardholder and repeated use could result in revocation or suspension of City credit card. The use of the City credit card does not negate the need for both receipt and invoice support. This is essential audit trail support that is highly scrutinized by independent auditor's every year. In the case of internet purchases, the user should print-out and/or obtain an E-Copy of the receipt. The use of internet sites that do not provide itemized payment confirmation/receipts is not allowed.
8. If food and beverages for a City sponsored event, luncheon, dinner, meeting, etc. are purchased with a City credit card, a "Credit Card Event Detail" report (attached) shall be submitted showing nature of event, luncheon, dinner, meeting, etc. and attendees.
9. Statements must be paid in full each month, and always require the documented approval of the Department Director and supporting receipts. Credit card statements of the City Manager require the documented approval of the Director of Financial Services. Submissions to Finance for payment must be timely to avoid payment penalties – the standard being due to Finance no later than 10 working days following statement delivery. ***Late penalties will be charged to the operating budget of the violating department.***
10. Credit cards represent one medium of purchasing among a host of others noted below:
 - ✓ Petty cash reimbursements or advances (purchases of not more than \$50) processed through the Cashier's window at City Hall.
 - ✓ Personal P.O.'s (PPOs) for those vendors who are willing to invoice the City, but require a purchase order number to place orders less than \$5,000. The PPO number is a nine digit number; the first four digits are the requestor's employee number; the next two digits are the fiscal year; and the last three digits are the sequential number (001, 002, 003, etc.) indicating the number of orders placed by the employee in the fiscal year. PPOs are subject to the same departmental approval and monitoring process required of any PO.

The attached credit card manual specifically identifies allowable and non-allowable uses of a city issued credit card.

The Finance Department will periodically perform an audit on all credit card statements to determine compliance with the City's policies and procedures. Independent financial auditors will also be requested

to test random credit card statements, transactions and approvals on an annual basis for further testing of compliance.

This Standard Operating Procedure (SOP) serves to set the overall standards, tone and practices of use at a high-level. Beyond these standards, credit card holders must adhere fully to the detail practices and procedures outlined in the latest updated version of the "Credit Card Manual" which is available on the City's network at <\\callisto\Milpitas\PURCHASING\Credit Card Manual>.

LOST OR STOLEN CARDS

1. If a credit card is lost or stolen, the Cardholder and department should immediately report the missing card to the Finance Department. It will be the responsibility of the Finance Department to immediately cancel the credit card with the financial institution. If a credit card is lost or stolen during non-working hours, the Cardholder must call the financial institution directly to cancel the credit card (the number is listed on the back of the credit card), and notify the Finance Department on the next working day.
2. After obtaining Department Director approval, the Finance Department will request a replacement card.

Attachment: Credit Card Request Form
Credit Card Missing Invoice/Receipt Form
Credit Card Event Detail Form
Credit Card Manual (Updated 08/25/2017)

CITY OF MILPITAS CREDIT CARD REQUEST FORM

Department/Division: _____ Date: _____

Designated Employee Name: _____ Title: _____

Justification for Credit Card Issuance:

By submitting this request, both the designated employee and Department Director agree that they have read ***the attached City's credit card policy (SOP #6-3)*** and understand their respective responsibilities in usage and management of the assigned card.

Designated Employee

Date

Department Director

Date

Director of Financial Services

Date

City Manager

Date

SOP 6-3 attachment

CITY OF MILPITAS

CAL-Card Missing Invoice/Receipt Form

This form is to be completed when a transaction record has been lost, or not issued (in the case of phone orders, for example). The form must be filled out in its entirety and attached to the Cardholder Statement prior to submitting it to Accounts Payable.

Department	
Credit Card Number	
Purchase Date	
Statement Ref. No.	
Merchant Name	
Amount	
Account Number	
Description of Charge	

I certify that the above information is true and correct and that this transaction was made for official City business.

Signature

Date

Department Director Signature

Date

CITY OF MILPITAS
Monthly Credit Card Event Detail

This form is to be completed by cardholder whenever a Credit Card Statement is submitted for approval that contains food and beverage purchases for a City sponsored event, meeting, luncheon, dinner, etc. The form must be filled out in its entirety and attached to the cardholder statement prior to submitting to Accounts Payable. Attach event, meeting, luncheon, dinner, etc. receipts directly to this form and then this form to the Credit Card Statement.

Cardholder Name: _____

Department: _____

Last 4 Digits of Credit Card: _____

Event Date: _____

Total Event Cost: _____

Purpose/Description of Event, Meeting, Luncheon, Dinner, Etc.: _____

Attendees List

Name	Agency	Title	Department

Attach additional sheets if necessary for Attendees over Twenty (20). If attendee names are not known due to nature of event, please provide a general description of attendees.

City of Milpitas



CAL-Card Manual

(version 08-25-17)

Table of Contents

1

Cal-Card Manual

2

**How to Reconcile the
Monthly Statement of
Accounts**

3

**Disputed and
Returned Items**

4

**Frequently Asked
Questions**

5

Reference

6

Forms

7

Glossary

8

NOTES

CAL-Card Manual

Table of Contents

Section 1 Cal-Card Manual

- 1.A General Information
- 1.B Limits
- 1.C Miscellaneous Regulations
- 1.D Replacing or Returning CAL-Card

Section 2 How to Reconcile the Monthly Statement of Account

- 2.A Overview
- 2.B Processing the Monthly Statement of Account

Section 3 Disputed, Fraudulent and Returned Items

- 3.A Disputed or Fraudulent Charges
- 3.B Returned Items

Section 4 Frequently Asked Questions

- 4.A General Information
- 4.B Making Purchases
- 4.C Travel Expenses
- 4.D Billing Issues

Section 5 Reference

- City of Milpitas Standard Operating Procedure No. 6-1, Travel and Expense Policy
- City of Milpitas Standard Operating Procedure No. 6-3, Credit Card Policy
- City of Milpitas Standard Operating Procedure No. 8-1, Refreshment Guidelines

Section 6 Forms

- Procurement Card Agreement
- Attachment “A”
- Sample Cardholder Monthly Statement of Account
- CAL-Card Cardholder Log
- Missing Receipt/Invoice Form
- Late Material/Late Receipt Form
- Missing Sales Tax Form
- CAL-Card Reconciliation Checklist
- US Bank Cardholder Statement of Questioned Item

Section 7 Glossary

Section 8 Notes

Section 1 CAL-Card Manual

Section 1.A - General Information

The City of Milpitas uses a variety of methods to procure goods and services. To further improve purchasing options, the City has expanded its procurement card program with CAL-Card through U.S. Bank. The named employee on each CAL-Card is responsible for its use and safekeeping. No personal information is involved with the CAL-Card, except for the Cardholder name.

What is a CAL-Card?

CAL-Card is a VISA procurement card issued by US Bank. It is very similar to a credit card although it has some unique differences, which are listed as follows:

- For official business use only
- Obtained by the City for the employee
- Tailored to specific spending limits
- Tailored to Merchant Category Code (MCC) codes which limit the types of purchases

Purpose.

The purpose of establishing the CAL-Card program is to:

1. Reduce the time involved in procuring items
2. Shorten the time needed to pay vendors
3. Improve customer and vendor relations
4. Expand the list of merchants from whom purchases can be made
5. Simplify the purchasing process for certain transactions under \$5,000

Personal credit/background investigations.

Neither the City of Milpitas nor US Bank will conduct a personal credit or background investigation of past credit history for those individuals selected as Cardholders. CAL-Cards are issued based on the full faith and credit of the City of Milpitas.

Card appearance.

The card has the Cardholder's name and department embossed on it. It has been designed to distinguish it from other personal credit cards. The City Seal and the words "City of Milpitas" appear in the upper left corner of the card and the words "CAL-Card DGS" appear in the upper right corner.

Card usage.

The Cardholder is the only person authorized to use their individual CAL-Card. Cards will not be issued collectively as departmental, agency or divisional cards. The CAL-Card is to be used strictly for official City business only. **No other City employee, family member, or other person may use the card.**

Activating Your CAL-Card.

- Sign the back of the CAL-Card with the words "Request Photo ID"
- Call **1-800-344-5696** (keep this number handy)
- Be prepared to answer the following questions with a touch tone phone:
- 16 digit CAL-Card account number **(on the CAL-Card)**
- First five digits of the City of Milpitas zip code (95035)
- Single transaction limit **(as listed on the upper right hand corner of the form your card is attached to)**
- Your office phone number
- If you make a mistake or need a customer service person, follow the voice prompts

Purchasing methods.

Cardholders may use the CAL-Card to purchase goods or off-site services in person, by telephone, internet, fax or mail. The CAL-Card may be used with any business establishment that accepts VISA cards for payment, subject to the limitations contained in this CAL-Card manual.

To utilize the CAL-Card, verify if the merchant selected will accept VISA.

Point of Sale Purchases.

- Bring identification: City of Milpitas ID and/or your driver's license
- Retain your receipt for reconciliation to your monthly Statement of Account
- Record the transaction on the Cardholder Log, as recommended

Phone-in or Internet orders.

- Use City of Milpitas facility address where the goods are to be received as the shipping address.
- Tell the merchant to print your name on the receipt/packing slip, etc.
- Provide billing address:
City of Milpitas, 455 E. Calaveras Blvd. Milpitas, CA 95035-5411
- As a tool, write down the confirmation number on the Cardholder Log in the Comments section. For Internet orders, print the receipt. Purchases may only be made through Internet merchants that provide an itemized receipt.
- Obtain the paid receipt and packing slip when the product arrives, and retain it for reconciliation of the monthly Statement of Account.
- Record the transaction on the Cardholder Log, as recommended.

Receipts.

- Write the G/L account number to be charged to on the receipt.
- Keep the receipt in the zipper pouch provided in this CAL-Card Manual.
- When submitting the receipts with the monthly Statement of Account, tape small receipts to an 8.5"x11" piece of paper.
- Original receipts are preferred. Scanned receipts will be accepted if original receipts are not available. Please retain both itemized receipt and customer copy showing card number charged.

Deliveries.

It is imperative that all CAL-Card purchases being delivered to the City of Milpitas have the Cardholder's name printed on the receipt and/or packing slip for delivery purposes.

Section 1.B Limits

Spending limits.

The Purchasing Agent, in coordination with the Approving Official will establish spending limits and Merchant Category Code (MCC) code limits for each Cardholder. The spending limits may be raised or lowered depending on the needs of the department/division. There are three spending limits (single transaction limit, daily spending limit and 30-day spending limit) that can be placed on the CAL-Card. Cardholders will be provided with information on the maximum amount that may be spent per transaction, per day and per month prior to the cards being issued.

Single transaction limit.

Each Approving Official will establish the single transaction limit for the Cardholder based on the anticipated purchasing needs of the department/division. Single transaction limits may be set up to \$5,000. If the total amount of the purchase exceeds \$5,000 (including sales tax and/or other applicable charges), the purchase will be declined. The single transaction limit is listed on the form your card is attached to and on your Cardholder Statement of Account.

Daily spending limit.

The daily spending limit is listed on the form your card is attached to and on your Cardholder Statement of Account.

30-day spending limit.

Each Approving Official will establish a 30-day spending limit for the Cardholders based on the anticipated purchasing needs of the department/division. The 30-day period corresponds to the billing cycle, e.g., March 23 to April 22. The 30-day spending limit is listed on the form your card is attached to and on your Cardholder Statement of Account.

Potential Reasons for Decline.

If you have a problem in the procurement process contact the Purchasing Agent for resolution. Potential reasons for a decline are as follows:

- Over your single transaction limit (includes tax and shipping)
- Over your monthly spending limit
- Merchandise is other than what is listed on your MCC code

- Shipping address different than billing address (call US Bank at 1-800-344-5696 if this occurs)
- Too many transactions in one day (8 is the trigger point)

Reason for Decline.

- Expired card

Exception.

In the event City personnel are deployed due to the activation of the Emergency Operations Center in response to a disaster or civil unrest, those deployed Cardholders may have their transaction limits set at a higher limit, as authorized in writing by the City Manager. These higher limits will only be in effect for the duration of the event.

Section 1.C Miscellaneous Regulations

Late fees.

US Bank charges a late fee for all Cardholder Monthly Statements of Account not paid on the due date. The late fee is adjusted annually (August 1st) and is based on the annualized state of California Pooled Money Investment Account rate. To avoid a late charge, departments/divisions must meet the established review and reconciliation deadline of ten (10) working days from cardholder's receipt of the Statement of Account to allow Accounts Payable Staff enough time to process and meet the payment deadline.

Restrictions and misuse.

Cardholders are subject to, and must adhere to, all City policies and procedures as well as policies and procedures contained in this manual. Improper, frequent and/or flagrant violation of the authorized use of the CAL-Card and/or loss of receipts and/or supporting documentation will result in the suspension or revocation of CAL-Card privileges. The City's CAL-Card is for "Official Use Only." Personal use of a City credit card is strictly prohibited. Misuse of a City credit card can also lead to disciplinary action up to and including termination, and use of any other remedies, both civil and penal, available to the City.

Splitting purchases.

The City of Milpitas Municipal Code Chapter 2, Section 3.03-3 prohibits the splitting of purchases. Purchases made using the CAL-Card may not be split to circumvent procurement policy. If you request a vendor to split an order into two invoices, or contact two different vendors to fulfill an order to circumvent the single transaction limit, this constitutes a split and your Cal-Card will be suspended or revoked.

Section 1.D Replacing or Returning CAL-Card

Worn or defective cards: In case a card becomes worn or defective and needs replacement, the Cardholder will request a replacement card through their Approving Official. The Approving Official will contact the City's Purchasing Agent and request a replacement card. Worn or defective cards must cut in half and attached to the request for a replacement card.

Termination or reassignment of the Cardholder: Upon termination of City employment or upon transfer to another department/division, the Cardholder will immediately return their card to their Approving Official. The Approving Official is responsible for making sure the account is reconciled and paid in full. The Approving Official will then cut the card in half and send it to the Purchasing Agent who will cancel the card and close the account.

Expired cards: Cards that have expired need to be cut in half and turned into the Purchasing Agent.

Section 2 How to Reconcile the Monthly Statement of Account

Section 2.A Overview

The City of Milpitas has established a single level program with multiple departmental accounts with US Bank. Each departmental account (Approving Official Account) contains the accounts for all cards issued to its approved staff (Cardholder Account(s)).

CAL-Card has a 30 day (28 or 29 days for February) billing cycle that ends around the 22nd of the month. The bank issues a (Cardholder) Statement of Account.

The (Cardholder) Statement of Account is an account analysis report that summarizes the transactions of the Cardholder's account during the last 30 days from the report date. The Cardholder's account limits are shown on this report. The bank mails this report to Accounts Payable for distribution to each Cardholder. ***This is the document AP uses for payment processing.***

The (Cardholder) Statement of Account and the Approving Official Summary are mailed at the end of the billing cycle. If not received by the 5th of the month, the Cardholder needs to call US Bank and request a fax copy.

Section 2.B Processing the Monthly Statement of Account

- 1) Cardholders **must review the Statement of Account to ensure all transactions are correct and that all charges are valid.** The Cardholder should take immediate corrective action for any irregular transaction (please see the back of the Statement of Account for details or refer to Section 3 “Disputed and Returned Items” of this manual).
- 2) The Cardholder verifies the sales invoice/receipts against each transaction in the Statement of Account. Each transaction **must** be supported by proper documentation such as an original sales invoice/receipt, a printed copy of scanned sales invoice/receipt using a smartphone or similar device (if original not available), or a completed and approved “CAL-Card Missing Receipt/Invoice” form in lieu of missing sales invoice/receipt. Attach supporting documents to the back of the Statement of Account in the same order as listed on the statement.
- 3) The Cardholder codes each transaction on the invoice/receipt with the appropriate G/L account number. Consult your Approving Official if you are not sure of the appropriate G/L account number to use.
- 4) The Cardholder identifies and circles all off-site service items on the Statement of Account. Cardholder will also briefly summarize the nature of the purchase for each line on the Statement of Account. If the Incorporated status of the vendor is not obvious, such as “Inc.” in the name, **then the cardholder must provide proof**, by writing the vendor’s corporate tax ID number on the invoice.
- 5) The Cardholder signs and dates the Cardholder Signature line provided at the top of the first page of the Statement of Account.
- 6) The Cardholder gives the Statement of Account with the supporting documents to the Department Director.
- 7) The Department Director reviews the Cardholder Statement of Account for accuracy and for adherence to the City of Milpitas purchasing and CAL-Card guidelines. Also, the G/L account number used for each transaction is reviewed for accuracy.

- 8) If the Cardholder's Statement of Account is correctly reconciled, the Department Director approves it for payment processing by signing on the Approving Official line provided at the bottom of the last page of the Statement of Account.
- 9) **The City allows a maximum of 10 working days for review and reconciliation.**
- 10) The Department Director then forwards the approved Statement of Account with its supporting documents to the Accounts Payable Section of the Accounting Services Division in the Finance Department.

To avoid delay of payment and late fees, please make sure that the steps and guidelines above are followed. Accurate information and complete documentation are essential to the efficiency of this program.

The Finance Department will periodically perform audits on all credit card statements to determine compliance with City of Milpitas policies and procedures.

Section 3 Disputed, Fraudulent and Returned Items

Section 3.A – Disputed or Fraudulent Charges

- 1) The Cardholder is responsible for immediately addressing any discrepancies on the monthly Statement of Account with the vendor.
- 2) If the problem is not resolved by the end of the current billing cycle, a Cardholder Statement of Questioned Item (CSQI) form (See: Section 6) needs to be completed. The CSQI form along with all supporting documentation (copies of sales drafts, credit slips, etc.) must be submitted to US Bank within **60 days** of the Cardholder Statement of Account in which the charge in question originally appeared or the City loses its right to dispute the claim. The Cardholder must sign the form. Cardholders must also respond promptly to any US Bank inquiries or the claim may be dropped and the charge will become due and payable.

In filling out the CSQI form, pay close attention to:

- Describing the attempted vendor resolution
 - Signing the form
 - Providing your daytime telephone number including area code
 - Attaching any supporting documentation such as credit vouchers, and return shipping documents such as postal receipts or UPS receipts, etc.
 - Keep copies for your records
- 3) **Important: The Cardholder shall not alter the amount of the Statement of Account.** Even though the Cardholder is returning (or has returned) the item, the amount billed will be paid in full. Any adjustments due to the Cardholder will be received in the following billing period.
 - 4) The address for US Bank is:
U.S. Bank
Dispute Department
P.O. Box 6335
Fargo, ND 58125-6335
Fax# 866-229-9625

The CSQI form lists the most common dispute reasons. It should be used to make sure a valid dispute exists.

The following items cannot be disputed with US Bank **between** billing cycles:

- 1) Sales tax or shipping/handling charges or
- 2) Items returned for credit.

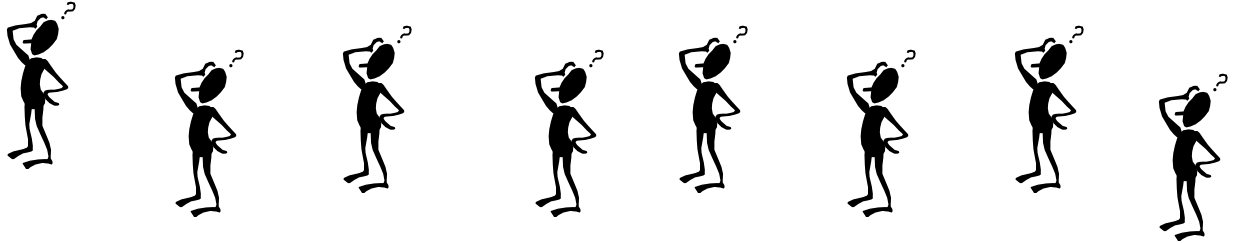
However, they can be disputed with the merchant at any time or with US Bank once they appear on the Statement of Account.

Section 3.B – Returned Items or Items Not Received

- 1) In the event a Cardholder finds an item purchased with the CAL-Card is not acceptable, the Cardholder must first try to resolve the issue with the vendor. If the vendor refuses to accept the return of the item and issue a credit slip, the Cardholder will contact the Purchasing Agent for assistance in resolving the matter. If the problem cannot be resolved by the end of the current billing cycle, the Cardholder will complete a CSQI form (see Section 6 Forms. The CSQI form and supporting documentation must be faxed or mailed to US Bank as noted above.
- 2) To receive proper credit for returned items; the Cardholder **must** obtain a credit receipt from the merchant when returning items that the vendor accepts back. The credit receipt must be attached to your monthly Statement of Account as part of the monthly reconciliation.
- 3) If a Cardholder is charged for an item not received, and the problem cannot be resolved at the Cardholder level by immediately discussing it with the vendor, then the Cardholder must complete a CSQI form including an explanation of the error. The CSQI form and supporting documentation must be sent to US Bank as noted above. Keep copies of all documents for your record.

Section 4 Frequently Asked Questions (FAQ's)

Section 4.A - General Information



What is the Billing Address?

City of Milpitas, 455 E. Calaveras Blvd. Milpitas, CA 95035-5411.

What is the Shipping Address?

The City of Milpitas does not have a central receiving operation; use a City of Milpitas facility address where the goods are to be received as the shipping address.

Who Do I Call?

The Agency Program Administrator is the Purchasing Agent, who can respond to procedural questions, or assist with dispute resolution; you may reach the Purchasing Agent at 408-586-3161. For billing questions call US Bank Customer Service at 1-800-344-5696.

Who is the Approving Official?

Your Approving Official is your Department Director. Your Department Director is the primary person responsible for auditing the Cardholder Statement of Account each month. The Department Director is responsible for ensuring the Cardholder has assigned the correct account codes to each transaction, has attached all necessary backup documentation, and is not in violation of any Purchasing policies and procedures. The Department Director will perform these essential administrative functions, including assisting the Cardholder with problem and/or dispute resolution. No Cardholder shall approve his or her own Statement of Account and no Cardholder shall have his or her Statement of Account approved by an employee at a lower positional level in the organization. The only exception is for the City Manager's Statement of Account, which will be reviewed and approved by the Director of Financial Services.

What do I do if my CAL-Card is lost or stolen?

When a CAL-Card is lost or stolen, the cardholder must **immediately notify U.S. Bank, their Approver and Program Administrator (the City's Purchasing Agent)**.

To notify U.S. Bank call: (800) 344-5696 or Outside the U.S. call collect: (701) 461-2020

These numbers are answered 24/7. U.S. Bank Customer Service will request the following information:

1. Cardholder's complete name
2. Account number
3. Circumstances surrounding the loss of the card
4. Any purchase(s) made on the day the card was lost or stolen
5. Details of last purchase amount and location
6. Cardholder verification information (one or all of these may be asked)
 - Zip code
 - Phone number

NOTE: This information is needed to protect the agency and to prevent fraudulent use of the lost or stolen card. Once the loss or theft has been reported to U.S. Bank, a new card, with a new account number, will be mailed to the agency or cardholder within two business days. To facilitate billing and account reconciliation, purchases made after the cycle date and prior to the lost/stolen date, are automatically billed under the new account number assigned to that cardholder. **Cardholders should be advised to carefully review their new Statement of Account and immediately report any incorrect billings to U.S. Bank Customer Service at (800) 344-5696.**

Who do I contact if I am denied the use of my CAL-Card?

Contact the City's Purchasing Agent at 408-586-3161. Under certain circumstances it may be possible to arrange for the CAL-Card to be authorized in a matter of minutes depending on the denial reason.

What do I do if I need to make a change to my CAL-Card?

Contact your Department Director first. Your Department Director will send a written request to the Purchasing Agent regarding the needed change. Reasons to make changes:

- Name Change
- Spending Limit Change (not to exceed \$5,000; except in emergency situations approved by City Manager and Director of Financial Services)
- Merchant Category Code (MCC) Change

Section 4.B - Making Purchases

When can I use the CAL-Card?

For low dollar (under \$5,000) purchases of supplies and off site services. Please also refer SOP 06-03 (City of Milpitas Credit Card Use).

Do I need to fill out a requisition and obtain signatures prior to making a purchase?

No, the CAL-Card is a tool that is designed to reduce paperwork for purchases of supplies and off site services under \$5,000.

Can I use the CAL-Card to purchase office products?

Yes, most all office supply vendors will accept the CAL-Card.

Can I use my CAL-Card at COSTCO?

Yes. COSTCO now accepts VISA.

What do I do with my paid receipt?

It is **very important** to keep all paid receipts in a safe place for reconciliation with the monthly Statement of Account. Tape all small receipts to an 8.5" X 11" piece of paper and submit them with your Statement of Account. You may also scan your receipt using a smartphone or similar device and attach a printed version of the receipt to your Statement of Account.

What do I do if I don't get a receipt or it is lost?

In either case you must contact the vendor for a duplicate receipt. If you have lost a receipt, please also complete the CAL-Card Missing Invoice/Receipt Form (See: Section 6) and include it with your monthly Statement of Account.

What do I do if I have a backorder?

Backorders are **not allowed** when using the CAL-Card. The vendor **can only charge you for the items actually shipped**; it is against VISA rules to charge for an item prior to its shipment. If this happens to you, notify the Purchasing Agent at 408-586-3161, but do not delay the reconciliation/payment process, go ahead and submit your paperwork.

Can my co-worker borrow my CAL-Card to purchase some needed items?

ABSOLUTELY NOT! CAL-Cards are issued to individual City employees only! Cardholders are responsible for the physical security of their card and for all charges appearing on their monthly Statement of Account. However, it is permissible for an individual other than the cardholder to pick up and sign for receipt of the merchandise ordered by the cardholder.

What do I do if the vendor did not charge me sales tax?

The City must pay sales (or use) tax on all merchandise except for resale purposes. Please fill out a "Missing Sales Tax Form" as provided in your manual (See: Section 6) and attach it to the paid receipt. Accounts Payable will calculate the tax owed. Leaving the tax off or charging the wrong rate is rare and usually only occurs with out-of-state purchases.

Can I use my CAL-Card to procure a service?

Yes for non-recurring services. However, you should contact Purchasing if you have a recurring service need. When buying services the following rules apply:

- 1) Only OFF SITE service purchases may be made with the CAL-Card, **no on site services are allowed**. And **ONLY INCORPORATED VENDORS** may be used to provide services including "value added" services such as the purchase *and installation* of a tire, or printing.
- 2) Only miscellaneous services (i.e. services that are not performed by a consultant) may be purchased with the CAL-Card. Professional services (consultants of any kind) require a Consulting Services Agreement and may not be purchased with CAL-Card.
- 3) It is the sole responsibility of the Cardholder to confirm the vendor's incorporated status **before** purchase of the service.

- 4) At the end of the month all Cardholders must identify and circle all service items on the Statement of Account.
- 5) If the incorporated status of the vendor is not obvious, such as “Inc.” in the name, **then the cardholder must provide proof**, by writing the vendors corporate tax ID number on the invoice.

What am I restricted from buying with my CAL-Card?

Your card is coded with Merchant Category Codes that enable you to purchase from specific types of merchants, which were set by your Approving Official. For more detail (See: Section 6, Attachment A).

Can I make technology purchases with my CAL-Card?

Yes. You may make technology purchases with your CAL-Card so long as it follows all other sections of CAL-Card policies.

How will I receive my merchandise?

Phone or Internet orders are generally delivered by common carrier or vendor owned truck to City of Milpitas facility addresses.

Section 4.C – Travel Expenses

Do I still need to fill out a travel request form before using my CAL-Card for business related travel?

Yes, and you must adhere to the City of Milpitas SOP 6-01 Travel and Expense Policy (see section 5). A completed and pre-approved Travel Request form must be included with your monthly Statement of Account.

Should I receive a per diem check for food when traveling?

You may submit your approved per diem request up front through your Travel Request form. You may not use your CAL-card for food purchases while traveling. Any other food purchases must conform to SOP 8-1 “Refreshment Guidelines”. Please complete the Credit Card Event Detail form if you purchase food for a City-sponsored event, meeting, luncheon, dinner, etc.

Section 4.D Billing Issues

What do I do if I have an item on my Statement of Account that has been returned, is incorrect or was not purchased by me?

Contact the vendor and attempt to reconcile the mistake. If the vendor credits you for the mistake, get a credit receipt and attach it to your monthly Statement of Account. If the vendor refuses or the credit does not appear on your next Statement of Account, then fill out a (CSQI) form and fax it to US Bank. Include a copy of the CSQI form with your Statement of Account. Keep original or scanned credit receipts in a safe place until the credit appears on the Statement of Account.

What do I do if a charge appears on my Statement of Account that I did not make? Fraud Response Procedures

The U.S. Bank Fraud Prevention Unit continually monitors accounts and transactions to prevent and halt fraud activity. If fraud activity is suspected, U.S. Bank Fraud Prevention Unit may contact cardholders by telephone to verify transactions or inform them about the use (or attempted use) of their credit card in a fraudulent manner.

Cardholders can help prevent fraud by promptly responding to the Fraud Prevention Unit and by carefully reviewing their Statement of Account. If the cardholder discovers a fraudulent transaction, the cardholder should report it to U.S. Bank Customer Service, **their Department Director and the City's Purchasing Agent** immediately. U.S. Bank will work with the cardholder to confirm the validity of the transaction(s) in question. An affidavit may be mailed to the cardholder if the bank deems this necessary. It must be signed and returned. It may also be necessary to close the current account to prevent additional fraud activity. To help with the investigation, U.S. Bank may also request that the cardholder cut up the plastic card and return it to the Fraud Prevention Unit.

Direct any concerns about fraud on the CAL-Card to:

U.S. Bank

Customer Service

(800) 344-5696

Hours: 24-hours-a-day, seven-days-a-week

IMPORTANT: The cardholder must also provide the following information to the City's Purchasing Agent:

- The account number on which the fraud has been detected
- The date and dollar amount of the fraudulent transaction(s)
- The date the cardholder first contacted, or was contacted by, U.S. Bank regarding the fraud
- The name of the U.S. Bank Fraud Representative investigating the account
- The new account number (if established). Please cut in half and return all cancelled cards to the Agency Program Administrator.

The cardholder should reconcile their Cardholder Statement by circling any unauthorized items and writing "fraud" next to the items. Process the statement as required by agency policy. **Do not submit a cardholder Statement of Questioned Item form for fraudulent transactions.**

It is important for the cardholder to monitor subsequent Cardholder Statements to confirm credits are received to clear the fraud amounts and to apply the credits to clear the fraud charges from their accounts.

Employees are not responsible for merchant errors or charges after a card has been reported lost, stolen or fraudulently used.

What is a "push"?

"Push" is the term used by the bank to describe the act of a merchant charging your card for more than you have authorized. This is an infrequent occurrence usually associated with phone or Internet purchases. It is strictly forbidden by VISA banking regulations. If a merchant "pushes" your card for any amount not authorized, immediately notify the Purchasing Agent.

No. 6-1

Effective:

Revised:

8/1/75

8/10/81

12/4/90*

7/16/91*

12/9/92

4/1/94

8/1/97

CITY OF MILPITAS, CALIFORNIA
STANDARD OPERATING PROCEDURE

SUBJECT: TRAVEL AND EXPENSE POLICY

PURPOSE

To establish procedures and guidelines for business-related travel and training expenses of all City officials and employees, including Council, Commission and Committee members. It is the objective of this travel policy to meet IRS requirements for an accountable plan which is generally defined as:

An allowance or reimbursement that is not subject to income tax if all three of the following conditions are met:

- 1) Expenses must have a business connection;
- 2) expenses must be substantiated; and
- 3) un-spent amounts must be returned.

If an employer reimburses employees' business travel expenses by means of a per diem allowance that does not exceed per diem rates of the federal government, the expense is deemed substantiated for the purpose of avoiding taxability. Actual expenses less than the allowable per diem are not required to be returned. Employees need only account for the time, place, and business connection of the expenditure.

POLICY

City official and employees may be required to travel and to incur other business-related expenses in the course of their official duties and as representatives of the City. This policy is issued to promote consistent and equitable practices and establishes:

- A) General guidelines
- B) Request and authorization process
- C) Criteria for use

Prudent use of public funds and consideration of public perception shall be the responsibility of all employees of the City of Milpitas.

A. GENERAL

1. Travel expenses may include, but not be limited to, the registration, transportation and related costs incurred when attending or participating in out-of-town business or activities such as professional meetings, conferences and training sessions, whether for less than one day or overnight.
2. Travel on official business outside the State of California will be considered during the budget review process and recommended for inclusion in the budget if job-related, and approved by the Department Head and the City Manager. Any out-of-state travel not approved in the budget requires prior Council approval.
3. City officials and employees on official business are prohibited from traveling by private non-scheduled airplane unless a waiver of all claims for death and injury is first executed to the satisfaction of the City Attorney.

4. No more than two (2) elected officials should travel together on official City business outside a 100 mile radius. No more than three (3) Department Heads should travel together on official City business outside a 100 mile radius. The Police Chief and the Fire Chief should not travel together on official City business outside a 100 mile radius.
5. The City will not incur any added expense as a result of a guest accompanying an employee or other city representatives.
6. The City will not incur any added expense as a result of a personal side-trip.
7. For destinations less than 100 miles (the distance between home and the destination or work and the destination, whichever is less) overnight travel expenses will not be allowed except with departmental approval for unusual circumstances, such as early morning meetings in Sacramento or seminars that go into the evening hours.
8. Travel for less than one day will be reimbursed in accordance with Section C-6 for reasonable actual expenses.

B. REQUEST AND AUTHORIZATION PROCESS

1. Except in cases of emergency, all requests for travel expenses are to be made in advance on Travel and Expense Request Form No. 32-11. Expenses shall be reviewed and authorized by the designated departmental authority. However, in no event shall an advance of an expense be made to an employee more than thirty days prior to the expense being incurred or paid.
2. If travel is out-of-state, a copy of the Council authorization, or budget detail should be attached to the Travel and Expense Form No. 32-11.
3. Upon departmental approval, Travel and Expense Request Forms should be submitted to Accounts Payable for processing two weeks prior to date payments as requested.

C. CRITERIA

1. Registration
 - a. Registration fees may be prepaid by the City or reimbursed to the employee in accordance with Section C-6.
 - b. Federal travel regulations require that any meals included in the cost of registration should be deducted from the per diem. The per diem allocation of meals will be included in the CONUS per Section C-4.
 - c. Any discounts offered for early registration or attendance by additional persons should be obtained whenever possible.
 - d. In order to satisfy IRS accountable plan regulations, a copy of the registration material must be submitted with the Travel and Expense Form No. 32-11.
2. Transportation
 - a. Transportation costs to and from the travel destination shall not exceed advance-purchase economy-class airfare, unless such fare is unavailable. City officials and employees shall inquire and endeavor to acquire any government discount the airlines may provide.
 - b. City vehicles shall be utilized whenever possible.
 - c. Every effort shall be made to rideshare when two or more City officials and/or employees are traveling to the same destination.

- d. Mileage reimbursement shall be at the rate as set by the Internal Revenue Code and shall be reimbursed for the distance between home and the destination or work and the destination, whichever is less.
- e. Transportation to and from airports shall be reimbursed in accordance with 2-d for either actual mileage if personal vehicle is used or for reasonable taxi fare, airport van, or other public transportation, if available.
- f. Parking will be reimbursed at the long-term parking rates for more than one day, and at the short-term parking rates for up to one day only.
- g. The necessity for a rental car must be established and authorized in advance by the Department Head or authorized representative. Economy car rentals are encouraged, unless the upgrade is provided at no additional cost to the City.

3. Lodging

- a. Lodging expenses may be prepaid directly to the hotel or reimbursed to the employee in accordance with Section C-6. Lodging expenses will be limited to single occupant room rates and shall not exceed conference hotel cost.
- b. Hotels often provide exemptions from transient occupancy tax for government employees. Employees should request exemption for hotel transient occupancy when making reservations if applicable.

4. Per Diem

- a. The City of Milpitas will pay the federal per diem allowance for meals and incidentals (M&IE) based on the locality of overnight travel. The federal per diem rates for the continental United States (CONUS) are published annually by the Internal Revenue Service and will be distributed by the Finance Department. Rates for travel outside the Continental United States will be obtained from the IRS by the Finance Department when requested. *Note: if a destination city is not listed, then the rate for the county applies. If there is no rate for the city or county, the lowest rate applies.*
- b. Incidental expenses which are included in the per diem are defined by the Internal Revenue Service as: laundry or dry cleaning, personal phone calls, and tips.
- c. The per diem rate is only applicable to overnight travel and is pro-rated accordingly. See the following schedule for examples:

Schedule based on travel departure:

1 ST DAY		2 ND DAY		
a.m.	p.m.	a.m.	p.m.	
_____				Less than 1 day = no per diem only actual expenses reimbursed
				overnight = 1 day minimum
				p.m. - p.m. = 1 day
				a.m. - a.m. = 1 day
				a.m. - p.m. = 1½ days

- d. The following expenses are not included in the per diem: transportation costs, taxi fares, and business telephone calls and may only be reimbursed at departmental discretion.
- e. No reimbursement will be made for the purchase of alcoholic beverages or products.

5. City Credit Cards

- a. City-issued credit cards may be used for payment of actual and necessary expenses as previously detailed within this policy, but does not eliminate the need to process a pre-approved Travel and Expense Form No. 32-11.
- b. Original detailed charge receipts, with appropriate coding, should be forwarded to Accounts Payable upon return to work.
- c. Personal charges incurred should be paid for separately.

Note: hotels and accommodate requests for separate bills upon check out.

- d. It is the credit card users responsibility, within 10 working days from the return to work date, to provide an accounting and reimburse the City for pre-paid per diem or other expenses if applicable.

6. Reimbursement

- a. All requests for reimbursement for travel expenses shall be submitted on Reimbursed Expenses Form No. 30-216 accompanied by supporting documentation including original receipts or invoices and a copy of the approved Travel and Expense Request Form No. 32-11.
- b. In the case of credit card purchases, receipts with transaction detail must be submitted.

7. Substantiation

An employee must substantiate all expenses. If an employee receives an advance for an expense and fails to substantiate the expense, such employee must return the advance to the City. The following constitutes "substantiate" for the purpose of this document:

Within 30 days after the expense is incurred, the employee shall submit to the City all receipts and other documentary evidence substantiating the time, place, amount, and business connection of the expenditure.

8. Return of Excess Amounts

Unless an advance is made to an employee by means of a per diem allowance (that does not exceed the per diem rates of the federal government), an employee shall return to the City, within 30 days upon return to work (or within 120 days after the expense was incurred, whichever is earlier), any amount of an advance that is in excess of the actual expense incurred. For example, if an employee receives an advance from the City of \$100 to cover the cost of attending a seminar and the actual cost turns out to be \$95, such employee shall return to the City the excess \$5 within 30 days upon return to work.

Attachments: Travel & Expense Request (Form 32-11)
Reimbursed Expenses (Form 30-216)

6-1/SOP/10-97

Attachment: Credit Card Missing Invoice Form



CITY OF MILPITAS, CALIFORNIA

STANDARD OPERATING PROCEDURE (SOP)

SUBJECT: CITY OF MILPITAS CREDIT CARD USE

STATEMENT OF PURPOSE

City credit cards are used and assigned for the purpose of providing a convenient and effective means of making small-dollar operational purchases. Additionally, credit cards are an invaluable tool in facilitating emergency or non-recurring purchases in those unique instances when there are no other readily available means to pay for goods or services.

GENERAL REQUIREMENTS AND STANDARDS

1. The City's credit card is for "Official Use Only." Personal use of a City credit card is strictly prohibited. Misuse of a City credit card can lead to disciplinary action up to and including termination, and use of any other remedies, both civil and penal, available to the City. Credit cards shall be used in strict compliance with those procedures outlined within the "Credit Card Manual" provided both at the time of card issuance as well as made available on the City's network at [\\callisto\Milpitas\PURCHASING\Credit Card Manual](#). Improper, frequent, and/or flagrant violation of the authorized use of the City credit card and/or loss of receipts and/or supporting documentation will result in the suspension or revocation of City credit card privileges.
2. Credit cards are to be used by permanent City employees only and are issued with the responsible persons name imprinted on the face of the card. Each individual who holds a City credit card shall maintain his/her specific card under his/her control. Giving City credit cards to other personnel for use, outside of your presence, is strictly prohibited. Your credit card number and security key should remain secure at all times for your protection and that of the City.
3. A City credit card shall not be used to circumvent any existing City of Milpitas purchasing policy, procedure, or practice. The use of City credit cards does not supplant or replace the need for Purchase Orders (PO) which require review and processing through the Purchasing Division of Finance for all purchases of \$5,000 and over.
4. Credit card procedures are monitored for compliance by the Finance Department. Each Department Director is responsible for establishing an effective process of oversight and review within their department for both budgetary control, approvals and proper submission to Finance. The mismanagement of assigned cards, non-compliance with the credit card policies and/or untimely remittance will result in a card being suspected or revoked by the Director of Financial Services and/or the City Manager.
5. Requests for credit card issuance are submitted to the Director of Financial Services by Department Directors and are recommended for issuance by the Director of Financial Services to

the City Manager. Consideration of issuing credit cards will be based on the individual needs of departments.

6. All credit cards carry a maximum limit of \$5,000 available every month and also carry restricted vendor category uses for further protection. Transaction limits can vary based upon authority approvals. Transaction and overall limits may be increased for individual Cardholders on a case by case basis during an emergency with the approval of the City Manager and Director of Financial Services. All other exceptions also require the approval of the City Manager and Director of Financial Services. The City's Purchasing Agent may have a maximum limit over \$5,000 available every month due to the nature of the role.
7. Original receipts must be submitted in support of any and all credit card purchases submitted for payment as part of the monthly billing process. Credit card receipts shall include both the "Itemized Receipt" showing detail of goods or services purchased and the "Customer Copy" of receipt showing last 4 digits of credit card charged for transaction. One combined receipt showing both itemized detail and last 4 digits of credit card charged for transaction is also acceptable. If a receipt is misplaced, it is the responsibility of the cardholder to obtain in a timely manner a duplicate receipt from the vendor in which goods or services were purchased. A printed copy of a scanned receipt using a smartphone or other device will be accepted if it contains itemized detail and last 4 digits of credit card charged. Original receipts though are preferred. A Missing Invoice/Receipt Form (attached) will be accepted if no other documentation means are available, but it shall not be used regularly by a Cardholder and repeated use could result in revocation or suspension of City credit card. The use of the City credit card does not negate the need for both receipt and invoice support. This is essential audit trail support that is highly scrutinized by independent auditor's every year. In the case of internet purchases, the user should print-out and/or obtain an E-Copy of the receipt. The use of internet sites that do not provide itemized payment confirmation/receipts is not allowed.
8. If food and beverages for a City sponsored event, luncheon, dinner, meeting, etc. are purchased with a City credit card, a "Credit Card Event Detail" report (attached) shall be submitted showing nature of event, luncheon, dinner, meeting, etc. and attendees.
9. Statements must be paid in full each month, and always require the documented approval of the Department Director and supporting receipts. Credit card statements of the City Manager require the documented approval of the Director of Financial Services. Submissions to Finance for payment must be timely to avoid payment penalties – the standard being due to Finance no later than 10 working days following statement delivery. ***Late penalties will be charged to the operating budget of the violating department.***
10. Credit cards represent one medium of purchasing among a host of others noted below:
 - ✓ Petty cash reimbursements or advances (purchases of not more than \$50) processed through the Cashier's window at City Hall.
 - ✓ Personal P.O.'s (PPOs) for those vendors who are willing to invoice the City, but require a purchase order number to place orders less than \$5,000. The PPO number is a nine digit number; the first four digits are the requestor's employee number; the next two digits are the fiscal year; and the last three digits are the sequential number (001, 002, 003, etc.) indicating the number of orders placed by the employee in the fiscal year. PPOs are subject to the same departmental approval and monitoring process required of any PO.

The attached credit card manual specifically identifies allowable and non-allowable uses of a city issued credit card.

The Finance Department will periodically perform an audit on all credit card statements to determine compliance with the City's policies and procedures. Independent financial auditors will also be requested

to test random credit card statements, transactions and approvals on an annual basis for further testing of compliance.

This Standard Operating Procedure (SOP) serves to set the overall standards, tone and practices of use at a high-level. Beyond these standards, credit card holders must adhere fully to the detail practices and procedures outlined in the latest updated version of the "Credit Card Manual" which is available on the City's network at <\\callisto\Milpitas\PURCHASING\Credit Card Manual>.

LOST OR STOLEN CARDS

1. If a credit card is lost or stolen, the Cardholder and department should immediately report the missing card to the Finance Department. It will be the responsibility of the Finance Department to immediately cancel the credit card with the financial institution. If a credit card is lost or stolen during non-working hours, the Cardholder must call the financial institution directly to cancel the credit card (the number is listed on the back of the credit card), and notify the Finance Department on the next working day.
2. After obtaining Department Director approval, the Finance Department will request a replacement card.

Attachment: Credit Card Request Form
Credit Card Missing Invoice/Receipt Form
Credit Card Event Detail Form
Credit Card Manual (Updated 08/25/2017)

CITY OF MILPITAS CREDIT CARD REQUEST FORM

Department/Division: _____ Date: _____

Designated Employee Name: _____ Title: _____

Justification for Credit Card Issuance:

By submitting this request, both the designated employee and Department Director agree that they have read ***the attached City's credit card policy (SOP #6-3)*** and understand their respective responsibilities in usage and management of the assigned card.

Designated Employee

Date

Department Director

Date

Director of Financial Services

Date

City Manager

Date

SOP 6-3 attachment

CITY OF MILPITAS

CAL-Card Missing Invoice/Receipt Form

This form is to be completed when a transaction record has been lost, or not issued (in the case of phone orders, for example). The form must be filled out in its entirety and attached to the Cardholder Statement prior to submitting it to Accounts Payable.

Department	
Credit Card Number	
Purchase Date	
Statement Ref. No.	
Merchant Name	
Amount	
Account Number	
Description of Charge	

I certify that the above information is true and correct and that this transaction was made for official City business.

Signature

Date

Department Director Signature

Date

CITY OF MILPITAS
Monthly Credit Card Event Detail

This form is to be completed by cardholder whenever a Credit Card Statement is submitted for approval that contains food and beverage purchases for a City sponsored event, meeting, luncheon, dinner, etc. The form must be filled out in its entirety and attached to the cardholder statement prior to submitting to Accounts Payable. Attach event, meeting, luncheon, dinner, etc. receipts directly to this form and then this form to the Credit Card Statement.

Cardholder Name: _____

Department: _____

Last 4 Digits of Credit Card: _____

Event Date: _____

Total Event Cost: _____

Purpose/Description of Event, Meeting, Luncheon, Dinner, Etc.: _____

Attendees List

Name	Agency	Title	Department

Attach additional sheets if necessary for Attendees over Twenty (20). If attendee names are not known due to nature of event, please provide a general description of attendees.

CITY OF MILPITAS, CALIFORNIA
STANDARD OPERATING PROCEDURE

SUBJECT: REFRESHMENT GUIDELINES

1. Food may be bought for staff for consumption at a City facility when staff is required to work through the normal lunch or dinner hour for City business such as meetings with vendors, periodic meetings among City staff, and meetings involving groups from the community or staff from other jurisdictions. City-provided lunch or dinner must be approved in advance by the department or division head or by Human Resources, and funded from the sponsoring department or division's budget.
2. Food shall not be bought for staff lunches outside of City facilities, i.e. in restaurants. Certain exceptions may be allowed, but only with advance approval by the City Manager, Assistant City Manager or Human Resources Director.
3. The cost for coffee or water procurements by departments or divisions for consumption by City staff will be absorbed in that department or division's budget and must be approved in advance by the department or division head.
4. Occasional refreshments, e.g. cookies, soda, etc., for staff meetings may be purchased by the City if approved in advance by the department or division head. Such costs will be funded from the department or division's budget.



Procurement Card Agreement

The City of Milpitas is pleased to present you with this procurement card. It represents the trust the City holds in you, and your empowerment as a responsible agent to safeguard and protect City assets.

I, _____, hereby acknowledge receipt of The City of Milpitas VISA procurement card No. _____

As a Cardholder or Supervisor, I agree to comply with the terms and conditions of this agreement and the procurement card instructions.

I acknowledge receipt of said agreement and confirm that I have read and understand its terms and conditions. I understand that The City of Milpitas is liable to U.S. Bank and Visa for all City of Milpitas charges.

I agree to use this card for City of Milpitas approved purchases only and not to charge personal or unapproved purchases. Personal use of a City credit card is strictly prohibited. Misuse of a City credit card can lead to disciplinary action up to and including termination, and use of any other remedies, both civil and penal, available to the City. Improper, frequent, and/or flagrant violation of the authorized use of the City credit card and/or loss of receipts and/or supporting documentation will result in the suspension or revocation of City credit card privileges. I acknowledge that I am the only person that may use this procurement card and will not give my card or its number to any other person for procurement use.

I will not purchase the items listed on Attachment "A" to this Agreement, as amended from time to time, regardless of my Merchant Activity Type code.

I understand that improper use of this procurement card will result in disciplinary action and loss of my procurement card privilege. Furthermore, fraudulent use of this procurement card will result in disciplinary action up to and including termination as defined in the terms of the US Bank contract and City of Milpitas Personnel Rules and Regulations.

I agree to return this procurement card to the City of Milpitas immediately upon request, change of job position, or upon separation of employment.

Signature: _____ Date: _____
Cardholder

Print Name: _____ Department: _____



Procurement Card Agreement

The City of Milpitas is pleased to present you with this procurement card. It represents the trust the City holds in you, and your empowerment as a responsible agent to safeguard and protect City assets.

I, _____, hereby acknowledge receipt of The City of Milpitas VISA procurement card No. _____

As a cardholder or Supervisor, I agree to comply with the terms and conditions of this agreement and the procurement card instructions.

I acknowledge receipt of said agreement and confirm that I have read and understand its terms and conditions. I understand that The City of Milpitas is liable to U.S. Bank and Visa for all City of Milpitas charges.

I agree to use this card for City of Milpitas approved purchases only and not to charge personal or unapproved purchases. Personal use of a City credit card is strictly prohibited. Misuse of a City credit card can lead to disciplinary action up to and including termination, and use of any other remedies, both civil and penal, available to the City. Improper, frequent, and/or flagrant violation of the authorized use of the City credit card and/or loss of receipts and/or supporting documentation will result in the suspension or revocation of City credit card privileges. I acknowledge that I am the only person that may use this procurement card and will not give my card or its number to any other person for procurement use.

I will not purchase the items listed on Attachment "A" to this Agreement, as amended from time to time, regardless of my Merchant Activity Type code.

I understand that improper use of this procurement card will result in disciplinary action and loss of my procurement card privilege. Furthermore, fraudulent use of this procurement card will result in disciplinary action up to and including termination as defined in the terms of the US Bank contract and City of Milpitas Personnel Rules and Regulations.

I agree to return this procurement card to the City of Milpitas immediately upon request, change of job position, or upon separation of employment.

Signature: _____ Date: _____
Cardholder

Print Name: _____ Department: _____



Attachment "A"

Items that will not be purchased regardless of my procurement card Merchant Activity Type Code.

- Airphone
- Alimony, Child Support
- Automated Referral Services
- Cash advances or cash refunds
- Cigarettes, tobacco, or alcohol products
- Court Costs, Fines, Bail, Bond Payments
- Donations
- Gambling or betting
- Gasoline & Diesel Fuel for City Vehicles (except in a declared City emergency)
Note: This does not include out of area City vehicle use and/or out of area rental vehicles.
- Gift Cards
- Government Loan Payments
- Political or Religious Organizations
- Purchase of telephone services
- Rental or lease of buildings
- Savings Bonds
- Securities or insurance
- Service agreements, equipment leases or equipment rentals (excluding rentals up to 90 days)
- Sponsorships
- Tax Payments
- Timeshares
- Utility Payments
- Wire Transfer, Money Orders, Travelers Checks, Foreign Currency

Signature: _____

Date: _____

Cardholder

Printed Name: _____



Attachment "A"

Items that will not be purchased regardless of my procurement card Merchant Activity Type Code.

- Airphone
- Alimony, Child Support
- Automated Referral Services
- Cash advances or cash refunds
- Cigarettes, tobacco, or alcohol products
- Court Costs, Fines, Bail, Bond Payments
- Donations
- Gambling or betting
- Gasoline & Diesel Fuel for City Vehicles (except in a declared City emergency)
Note: This does not include out of area City vehicle use and/or out of area rental vehicles.
- Gift Cards
- Government Loan Payments
- Political or Religious Organizations
- Purchase of telephone services
- Rental or lease of buildings
- Savings Bonds
- Securities or insurance
- Service agreements, equipment leases or equipment rentals (excluding rentals up to 90 days)
- Sponsorships
- Tax Payments
- Timeshares
- Utility Payments
- Wire Transfer, Money Orders, Travelers Checks, Foreign Currency

Signature: _____

Date: _____

Cardholder

Printed Name: _____



U.S. BANCORP SERVICE CENTER
P. O. Box 6343
Fargo, ND 58125-6343

16207R32

CITY OF MILPITAS

MEMO STATEMENT

ACCOUNT NUMBER

STATEMENT DATE 03-24-08

TOTAL ACTIVITY \$ 77.88

AMOUNT DUE \$0.00

DO NOT REMIT

SAMPLE



PATRICIA JOKI
FIRE DEPT
CITY HALL ACCTS PAYABLE
455 E CALAVERAS BLVD
MILPITAS CA 95035-5411

4246040013838257 000000000

We certify that all purchases listed on this statement, unless annotated to the contrary, are true, correct and for official business only. Payment is authorized.

Cardholder Date Approver Date

NEW ACCOUNT ACTIVITY					
POST DATE	TRAN DATE	TRANSACTION DESCRIPTION	REFERENCE NUMBER	MCC	AMOUNT
02-29	02-27	ORCHARD SUPPLY #190 MILPITAS CA PUR ID: JOKI/PATRICIA TAX: 5.94	24387758059004083051134	5200	77.88

Default Accounting Code:			
CUSTOMER SERVICE CALL 1-800-344-5696	ACCOUNT NUMBER		ACCOUNT SUMMARY
	STATEMENT DATE	DISPUTED AMOUNT	PREVIOUS BALANCE \$.00
SEND BILLING INQUIRIES TO: C/O U.S. BANCORP SERVICE CENTER, INC U.S. BANK NATIONAL ASSOCIATION ND P.O. BOX 6344 FARGO, ND 58125-6344	03-24-08	\$.00	PURCHASES & OTHER CHARGES \$77.88
	AMOUNT DUE		CASH ADVANCES \$.00
	\$ 0.00		CASH ADVANCE FEE \$.00
	DO NOT REMIT		CREDITS \$.00
			TOTAL ACTIVITY \$77.88

CAL-CARD

Cardholder Log

Dept./Div. Name:					
DATE	RECEIPT/ INVOICE NO.	DESCRIPTION OF PURCHASES	VENDOR NAME	COMMENTS	DOLLAR AMOUNT

CITY OF MILPITAS

Missing Invoice / Receipt Form

This form is to be completed when a transaction record has been lost, or not issued (in the case of phone orders, for example). The form must be filled out in its entirety and attached to the Cardholder Statement of Account prior to submitting to Accounts Payable.

Employee Name	
Department	
Purchase Date	
Statement Ref. No.	
Merchant Name	
Amount	
Account Number	
Description of Charge	
Credit Card Number Provide if this was a CAL-Card charge	

I certify that the above information is true and correct and that this transaction was made for official City business.

Cardholder Signature

Date

Department Director Signature

Date

SOP 6-3 attachment

Missing SalesTax Form

Please fill in this form for receipts that **DO NOT** include **SALES TAX**. Staple it to your receipt and submit it with your reconciled Cardholder Statement of Account. Accounts Payable will calculate the applicable tax.

Your Name:	
Vendor Name:	
Invoice Number:	Date of Transaction:
Description of Transaction:	
GL Account Number:	
Dollar Amount of Taxable Purchase:	\$.
Amount of Tax to Apply:	Accounts Payable to complete this section \$.
TOTAL:	\$.

Cut

Missing Sales Tax Form

Please fill in this form for receipts that **DO NOT** include **SALES TAX**. Staple it to your receipt and submit it with your reconciled Cardholder Statement of Account. Accounts Payable will calculate the applicable tax.

Your Name:	
Vendor Name:	
Invoice Number:	Date of Transaction:
Description of Transaction:	
GL Account Number:	
Dollar Amount of Taxable Purchase:	\$.
Amount of Tax to Apply:	Accounts Payable to complete this section \$.
TOTAL:	\$.

CITY OF MILPITAS
Monthly Credit Card Event Detail

This form is to be completed by cardholder whenever a Credit Card Statement is submitted for approval that contains food and beverage purchases for a City sponsored event, meeting, luncheon, dinner, etc. The form must be filled out in its entirety and attached to the cardholder statement prior to submitting to Accounts Payable. Attach event, meeting, luncheon, dinner, etc. receipts directly to this form and then this form to the Credit Card Statement.

Cardholder Name: _____

Department: _____

Last 4 Digits of Credit Card: _____

Event Date: _____

Total Event Cost: _____

Purpose/Description of Event, Meeting, Luncheon, Dinner, Etc.: _____

Attendees List

Name	Agency	Title	Department

Attach additional sheets if necessary for Attendees over Twenty (20). If attendee names are not known due to nature of event, please provide a general description of attendees.

CAL-Card Reconciliation Checklist

Cardholder Name: _____

Bank statement date: ____/____/____

1. The Receipts (includes invoices)

- ☐ Include original receipts when possible and scanned receipts if original not available.
- ☐ Put budget account number on each receipt. If using another department's account code, please obtain appropriate approving signature of that department.
- ☐ Attach each receipt less than 8-1/2" x 11" to its own 8-1/2" x 11" piece of paper, trim excess coupons etc., attach top and bottom with scotch tape. (Multiple small receipts may go on the same page.)
- ☐ Check receipts to make sure appropriate sales tax was charged.
- ☐ Put corporate tax I.D. number on any receipt for services from any vendor whose name does not indicate the company is incorporated (Inc., Corp., etc.). Off site services only!

2. The Bank Statement

- ☐ Make sure there is a receipt for every entry on the bank statement.
- ☐ Make sure the receipt amount matches the statement amount.
- ☐ Circle all off-site service items (make sure that receipts for these have corporate I.D. numbers).
- ☐ Briefly describe nature of purchase for each line on statement.
- ☐ Sign as cardholder.
- ☐ Place this completed checklist on top of your Cal-Card package.
- ☐ Submit package to your Department Director within five (5) days of receipt from AP.

3. Additional Attachments

- ☐ Attach "Missing Receipt/Invoice Form" for any entry that does not have a receipt.
- ☐ Attach "Missing Sales Tax Form" to any receipt that did not include proper sales tax.
- ☐ Attach copy of pre-approved "Travel Request Form" for travel expenses.
- ☐ Attach Monthly Credit Card Event Detail forms when applicable.

4. Department Director Sign-off

- ☐ Check receipts against bank statements using the checklist above.
- ☐ Follow-up with the cardholder on any statement entries not accounted for, or any disputed bank statement entries. Before going to the next step.
- ☐ Sign bank statement and route to Accounts Payable within the 10 working days indicated on the AP cover sheet.

* * * * *

U.S. BANK CARDHOLDER STATEMENT OF QUESTIONED ITEM

CARDHOLDER NAME (print or type in black Ink)

ACCOUNT NUMBER

CARDHOLDER SIGNATURE

DATE

(AREA CODE) TELEPHONE NUMBER

The transaction in question as shown on Statement of Account:

Transaction Date	Reference Number	Merchant	Amount	Statement Date
------------------	------------------	----------	--------	----------------

Please read carefully each of the following situations and check the one most appropriate to your particular dispute. If you have any questions, please contact us at 800-227-6736. We will be more than happy to advise you in this matter.

1. **UNAUTHORIZED MAIL OR PHONE ORDER**

☐ I have not authorized this charge to my account. I have not ordered merchandise by phone or mail, or received any goods or services.

2. **DUPLICATE PROCESSING – THE DATE OF THE FIRST TRANSACTION WAS**

☐ The transaction listed above represents a multiple billing to my account. I only authorized one charge from this merchant for this amount. My card was in my possession at all times.

3. **MERCHANDISE OR SERVICE NOT RECEIVED IN THE AMOUNT OF \$ _____.**

☐ My account has been charged for the above transaction, but I have not received the merchandise or service. I have contacted the merchant but the matter was not resolved. **(Please provide a separate statement detailing the merchant contact, and the expected date to receive merchandise.)**

☐ My account has been charged for the above listed transaction. I have contacted this merchant on ___/___/___ and canceled the order. **I will refuse delivery should the merchandise still be received.** (Date)

4. **MERCHANDISE RETURNED IN THE AMOUNT OF \$ _____.**

☐ My account has been charged for the above listed transaction, but the merchandise has since been returned ***Enclosed is a copy of my postal or UPS receipt.***

5. **CREDIT NOT RECEIVED**

☐ I have received a credit voucher for the above listed charge, but it has not yet appeared on my account. **A copy of the credit voucher is enclosed.** (Please provide a copy of this voucher with this correspondence.)

6. **ALTERATION OF AMOUNT**

☐ The amount of this charge has been altered since the time of purchase. **Enclosed is a copy of my sales draft showing the amount for which I signed.** The difference of amount is \$ _____.

7. **INADEQUATE DESCRIPTION/UNRECOGNIZED CHARGE**

☐ I do not recognize this charge. Please supply a copy of the sales draft for my review. I understand that when a valid copy is sent to me, a Statement of Questioned Item Form must be provided and will include the copy of the sales draft if a further dispute exists. If a copy of the sales draft cannot be obtained, a credit will appear in my account.

8. **COPY REQUEST**

☐ I recognize this charge, but need a copy of the sales draft for my records.

9. **SERVICES NOT RECEIVED**

☐ I have been billed for this transaction, however, the merchant was unable to provide the services.

☐ Paid for by another means. My card number was used to secure this purchase, however final payment was made by check, cash, or another credit card. **(Enclosed is my receipt, canceled check (front and back), copy of credit card statement or applicable documentation demonstrating that payment was made by other means.)**

10. **NOT AS DESCRIBED**

☐ (Cardholder must specify what goods, services, or other things of value were received.) The item(s) specified do not conform to what was agreed upon with the merchant. (The cardholder must have attempted to return the merchandise and state so in their complaint.)

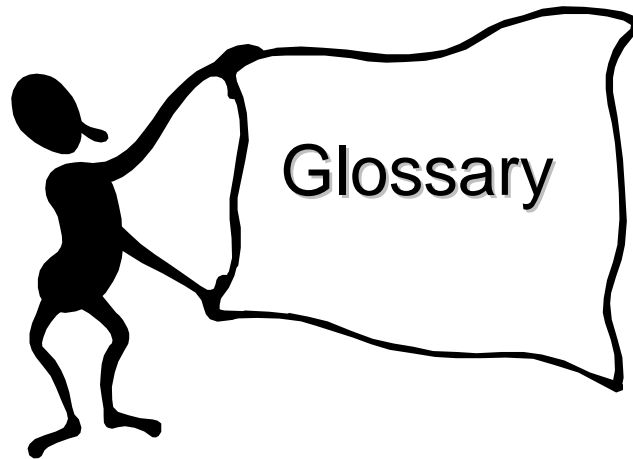
11. **If none of the above reasons apply - please describe the situation:**

(Note: Provide a complete description of the problem, attempted resolution and outstanding issues. Use a separate sheet of paper, if necessary, and sign your description statement.)

MAIL TO: U.S. Bank Dispute Services, P.O. Box 6335, Fargo, ND 58125-6335

FAX TO: (866) 229-9625

Section 7 Glossary



Term	Meaning
AO	Approving Official. Technically, (signature authority) is the Department/Division Head. However, functionally is your direct Supervisor.
APC	Agency Program Coordinator, City Purchasing Agent.
Attachment "A"	Attachment to the User Agreement that details items restricted from purchasing with your CAL-Card.
BOC	Billing Office Contact, City Accounts Payable staff.
Billing Address	City of Milpitas, 455 E. Calaveras Blvd. Milpitas, CA 95035-5411
CAL-Card	A procurement card using the VISA Network issued by US Bank. Contracted by the State of California with U.S. Bank. Available to all public entities within the state.
Cardholder Statement of Account	A monthly statement sent by the bank to each cardholder. The report details every transaction for the prior 30 days.
CH	Cardholder, City employee authorized to use the CAL-Card. Employee name is imprinted on the CAL-Card.
Chart of Accounts / GL Number	The chart of accounts is a listing of all the accounts in the general ledger. The chart is divided into five categories: assets, liabilities, net assets or fund balances, revenues and expenses. Each account in the general ledger is assigned a number called "Account Number." It is the coding element used to classify, record, budget and report financial transactions.

CSQI	Cardholder Statement of Questioned Item Submitted to the bank to dispute or question unauthorized items, incorrect amounts, credit items, duplicate processing, etc.
Decline	You may be declined the use of your CAL-Card for reasons such as: <ul style="list-style-type: none"> • Over your transaction, monthly or office limit • Not set up with the vendors Standard Industry Classification (SIC) code • Shipping address different than billing address • Too many transactions in one day (8) Card expired
DOC	Dispute Office Contact, Purchasing Agent.
Cardholder Log	A paper form used mainly as a tool to record every CAL-Card transaction to help reconcile your monthly statement.
MAT Code	Merchant Activity Code, A combination of SIC codes set by U.S. Bank for purposes of electronically coding the CAL-Cards to limit procurement by merchant activity at the cardholder level.
MSDS	Material Safety Data Sheet, Hazardous material information on an individual product. Please keep a copy where the material is stored and/or at the job site, and forward the original to Information Services.
NIA	Notice of Invoice Adjustment, used by Accounts Payable to communicate to the bank why we are short paying the invoice. Information is derived from the CSQI form(s).
Monthly Spending Limit	The amount not to be exceeded by the cardholder in a billing cycle (30 days). Only the Purchasing Agent can adjust this limit with the Approving Official/Supervisor's approval, not to exceed \$5,000.
Missing Sales Tax Form	The form you use to communicate to Accounts Payable that the vendor did not charge applicable sales or use tax (9.25%), primarily used in conjunction with out of state purchases. Attach your sales receipt to this form and forward it with the cardholder statement.
RO60	The official agency invoice detailing all purchases of each department for the prior 30 days.

Reconcile	To make agree, compatible or consistent. Verify totals on all receipts for the previous billing cycle to the corresponding transactions on the Cardholder Statement of Account.
Service	Labor to perform a required task. Services can be purchased with the CAL-Card, but only under certain specific circumstances. (See section 4.B Making Purchases, "Can I use my CAL-Card to procure a service?")
Shipping Address	Street address where the merchandise will be delivered.
SIC Code	Standard Industry Classification, A code given to a merchant when they become a VISA member. Relates to the type(s) of merchandise the vendor sells.
Toll Free Number	1-800-344-5696 for activation, customer service and lost or stolen CAL-Cards. 24-hrs/7 days per week.
Transaction Limit	The total amount you may spend per CAL-Card transaction. This amount includes tax, shipping, and handling. Can only be adjusted by the APC with written approval from the AO.
User Agreement	Your signed contract with the City of Milpitas stating you will only use the procurement card for official business and procure only those items for which you are so authorized.

[illegible]